

# Choosing a Formulary for Montana: ODG v. ACOEM v. Washington

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Montana Department of  
**LABOR & INDUSTRY**

# DISCLAIMER

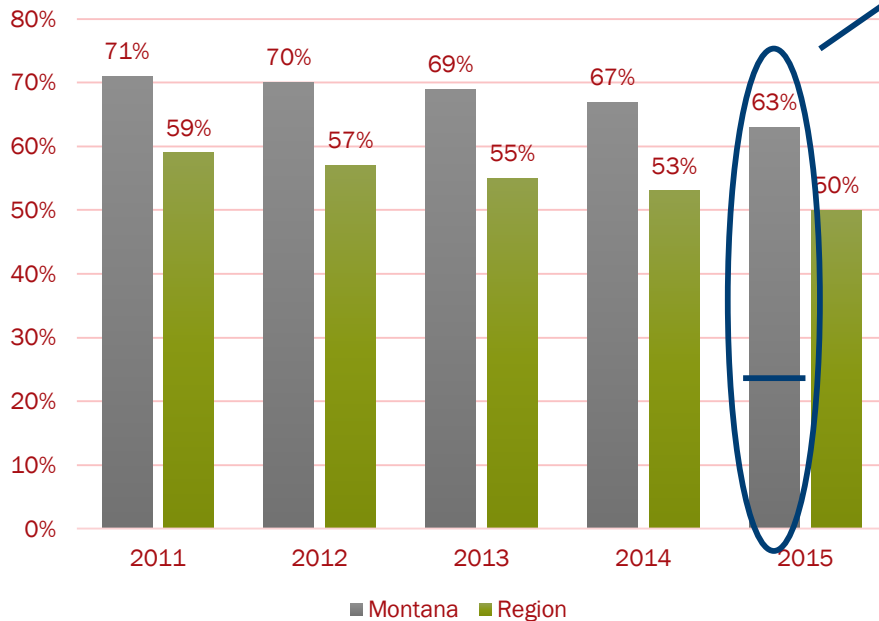
1. I am **NOT** a medical professional, and I have **NO** medical or pharmaceutical training.
2. I have no conflicts of interest.

# Montana's Goals and "Wish-List" for a Formulary

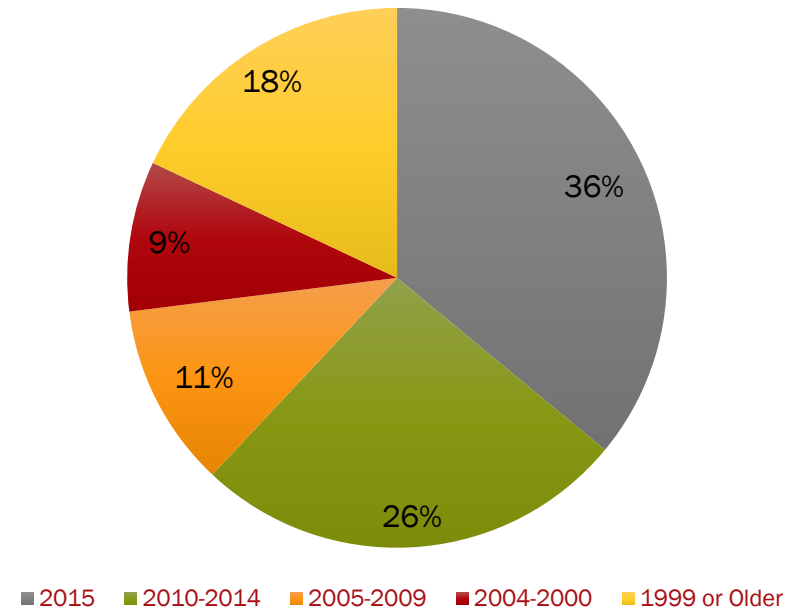
- **Primary Goals:**
  - Reduce prescriptions of potentially dangerous drugs to IWs
  - Decrease disability length and increase RTW rates
- **Potential by product:**
  - Cost savings
- **Formulary should:**
  - Be evidence-based
  - Be simple and easy to maintain
  - Complement MT U&T Guidelines
  - Include a dispute resolution process
  - Consider legacy claims
  - Consider administrative costs to implement, educate, and maintain

# Goal 1: Reduce prescriptions of potentially dangerous drugs to injured workers

Share of Drug Claims With at Least One Opioid Script

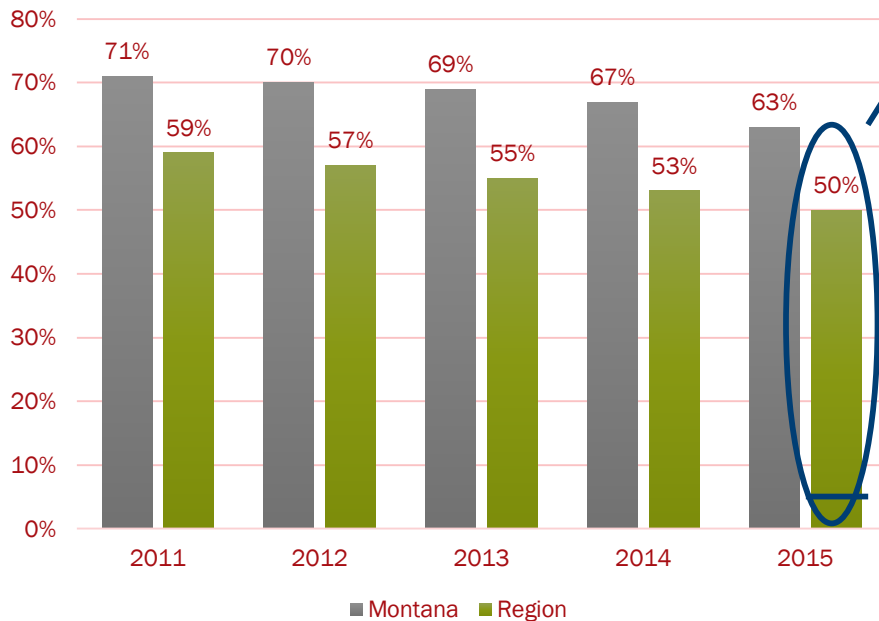


Share of Opioid Claims by Accident Year (Montana)

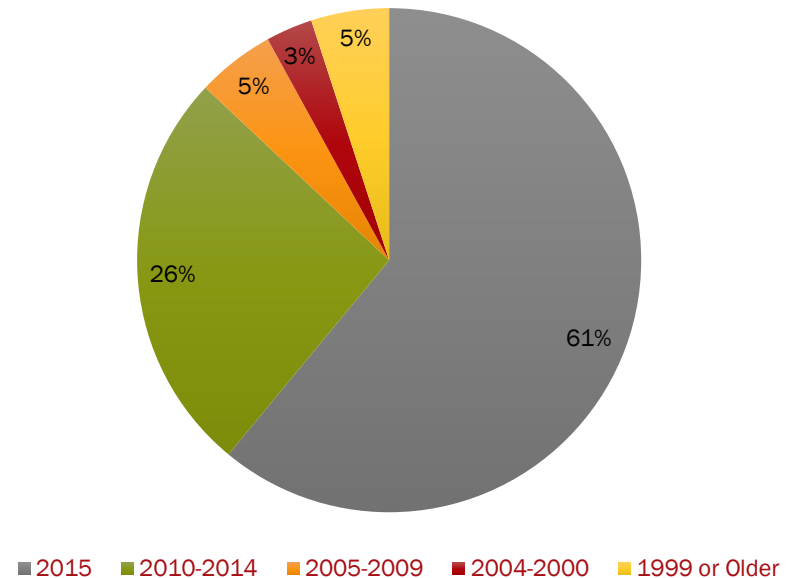


# Goal 1: Reduce prescriptions of potentially dangerous drugs to injured workers (cont'd)

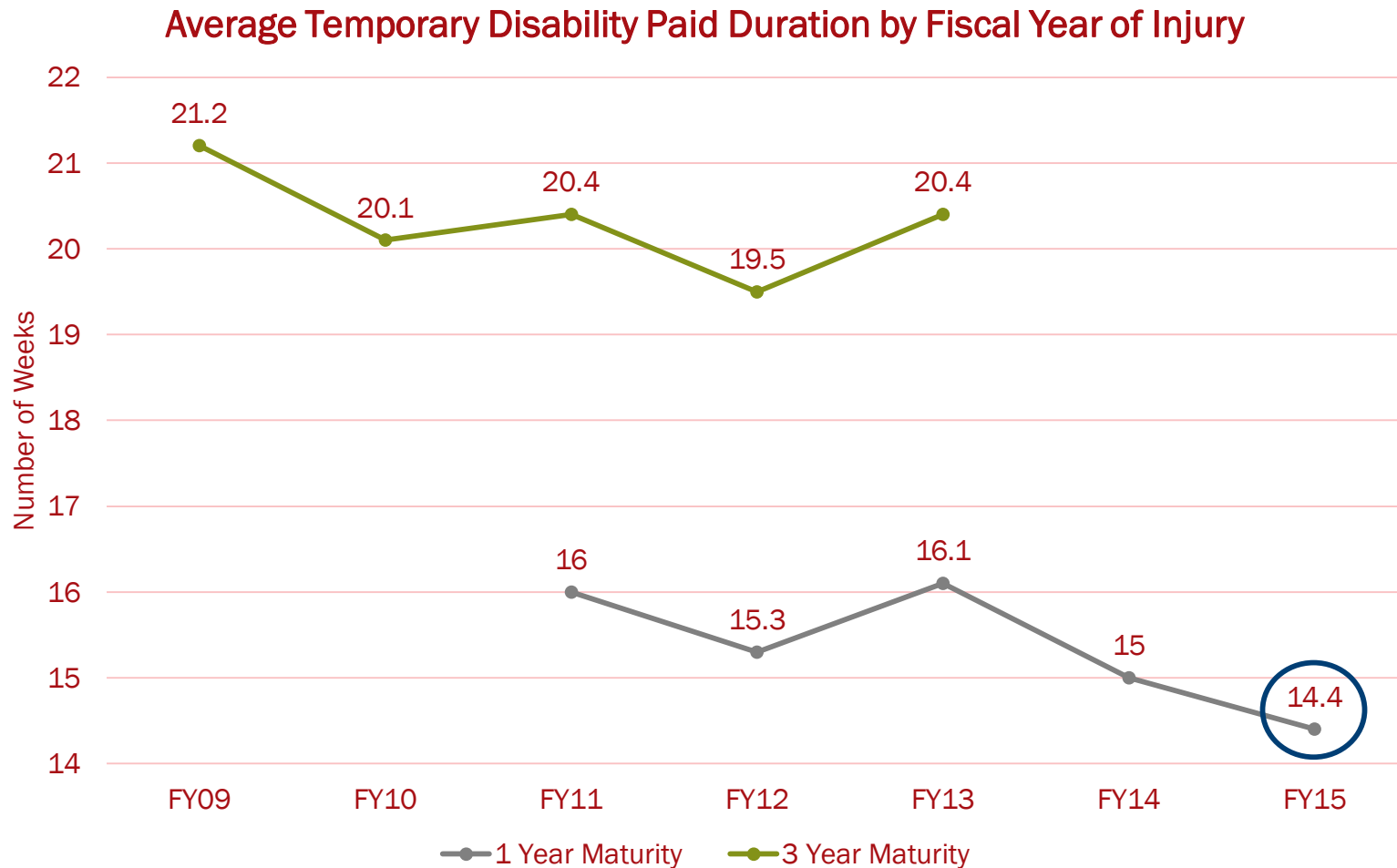
Share of Drug Claims With at Least One Opioid Script



Share of Opioid Claims by Accident Year (Region)

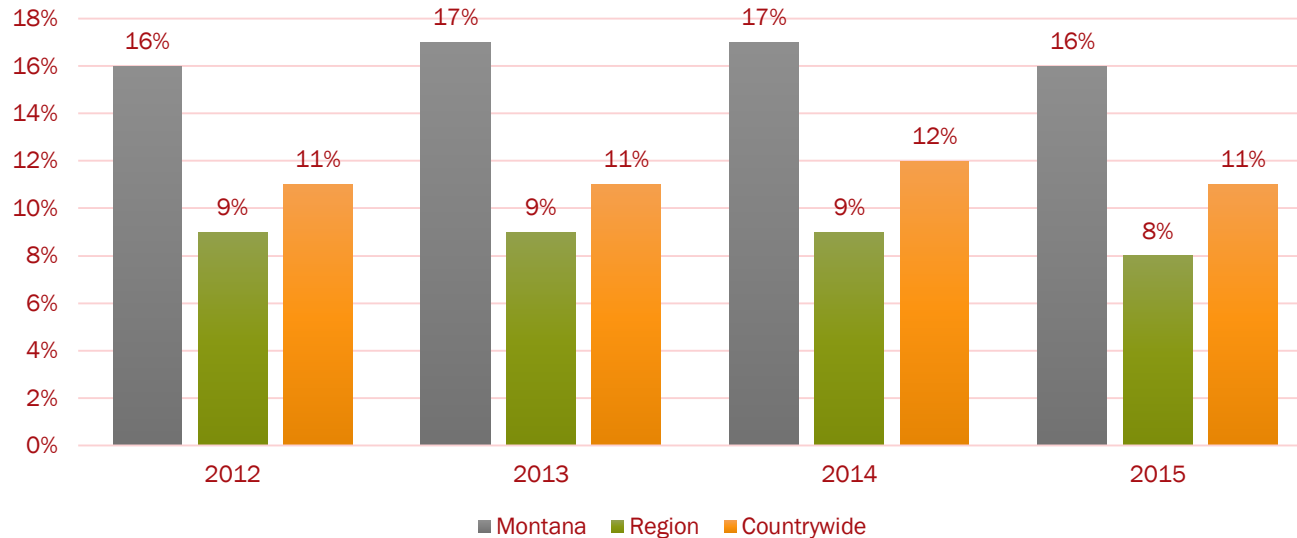


# Goal 2: Decrease disability length and increase RTW rates



# Cost Savings: Prescription Drug Payments in MT

## Percent of All Medical Payments for Prescription Drugs<sup>(1)</sup>



Montana costs are consistently higher in terms of the proportion of medical payments that go towards prescription drugs. Why?

- Price x Utilization = Cost
- Higher prices?
  - In MT, for the top ten WC drugs by both amount paid and by prescription counts, MT pays *less per unit* compared to the region and countrywide for all drugs except Oxycodone and OxyContin.<sup>(2)</sup>
- Higher utilization?
- Lower prices or lower utilization for other payments? (i.e. physician payments, hospital, ambulatory, implants, etc.)

# Cost Savings: Estimates for Potential Savings if a Formulary is Implemented

- **NCCI:** An NCCI analysis estimated potential savings greater than **20%** on prescription costs from implementing the ODG formulary in Montana.<sup>(1)</sup>
- **WCRI:** Using the Texas model, an analysis of 23 states under 4 different scenarios estimated total prescription payments to reduce by between **2% and 29%**.<sup>(2)</sup>
  - Scenario A: 14-29%
  - Scenario B: 4-16%
  - Scenario C: 4-9%
  - Scenario D: 2-6%
- **CWCI:** Potential savings on prescription costs in California<sup>(3)</sup>
  - Texas model (ODG): **18%** or \$182 million
  - Washington model: **45%** or \$459 million

Sources: <sup>(1)</sup>"Workers' Compensation and Prescription Drugs: 2016 Update", NCCI, 2016

<sup>(2)</sup>"Impact of a Texas-Like Formulary In Other States", WCRI, June 2014, June 2014

<sup>(3)</sup>"Are Formularies a Viable Solution for Controlling Prescription Drug Utilization and Cost in California Workers' Compensation?", CWCI, October 2014



# Cost Savings: Other States' Reported Savings Associated with Formulary

- **Texas:** Implemented formulary in 2011; between 2013 and 2014, total cost of N-Drug decreased from \$1.42 million to \$290,000, or **-79.5%**
- **Ohio:** Implemented formulary in 2011; between 2010 and 2014, total drug cost for opioids **decreased 23%**, a savings of \$19.9 million.
- **Washington:** Implemented formulary in 2004; in a 2011 WCRI study, only **6%** of prescriptions drugs in WA were brand name, compared to a median of **16%** for the additional 17 states in the study (Montana not included).
  - NCCI Medical Data Report, 2016:
    - MT Scripts (#): 14% Brand Name, 86% Generic
    - Countrywide Scripts (#): 15% Brand Name, 85% Generic

# Summary of each Formulary



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# Summary: ODG

- **Organized:** by Drug Class, by Generic Name, by Brand Name (all three lists contain the same information)
- **Recommendation:** Each drug given a flat “Y” for preferred or “N” for non-preferred;
  - “Y” drugs are accepted without requiring any prior authorization
  - “N” drugs require prior authorization to ensure medical appropriateness
  - Drugs not included on the formulary may either be required to go through the same PA process as an N-drug or simply not be covered (jurisdiction decision)
- **Guidelines:** The formulary is an extension of the ODG guidelines but there is no information with regards to the guidelines contained within the formulary
- **Includes:** 31 Pharmaceutical Drug Classes, 294 unique drugs by brand name, and 279 unique drugs by generic name
- **States** that use the ODG formulary include Arizona, Oklahoma, Tennessee, and Texas. Many more utilize the ODG guidelines.

# Summary: ODG (cont'd)

| Generic Name                            | Brand Name                   | Drug Class                                  | Gener Equiv | Status | Cost     |
|---|------------------------------|---|-------------|--------|----------|
| <a href="#">Oxazepam</a>                | Serax                        | <a href="#">Benzodiazepines</a>             | Yes         | N      | \$62.44  |
| <a href="#">Oxcarbazepine</a>           | Trileptal®                   | <a href="#">Anti-epilepsy drugs (AEDs)</a>  | Yes         | Y      | \$72.12  |
| <a href="#">Oxycodone</a>               | <a href="#">Oxaydo</a>       | <a href="#">Opioids</a>                     | No          | N      | \$97.59  |
| <a href="#">Oxycodone</a>               | OxyIR®                       | <a href="#">Opioids</a>                     | Yes         | Y      | \$41.72  |
| <a href="#">Oxycodone ER</a>            | <a href="#">OxyContin®</a>   | <a href="#">Opioids</a>                     | No          | N      | \$428.83 |
| <a href="#">Oxycodone ER/acetamin.</a>  | <a href="#">Xartemis XR</a>  | <a href="#">Opioids</a>                     | No          | N      | \$130.29 |
| <a href="#">Oxycodone ER/naloxone</a>   | <a href="#">Targiniq ER®</a> | <a href="#">Opioids</a>                     | No          | N      |          |
| <a href="#">Oxycodone/acetaminophen</a> | <a href="#">Percocet®</a>    | <a href="#">Opioids</a>                     | Yes         | Y      | \$88.33  |
| <a href="#">Oxycodone/aspirin</a>       | <a href="#">Percodan®</a>    | <a href="#">Opioids</a>                     | Yes         | N      | \$70.25  |
| <a href="#">Oxycodone/ibuprofen</a>     | <a href="#">Combunox</a>     | <a href="#">Opioids</a>                     | Yes         | N      | \$86.00  |
| <a href="#">Oxymorphone</a>             | <a href="#">Opana®</a>       | <a href="#">Opioids</a>                     | Yes         | N      | \$380.75 |
| <a href="#">Oxymorphone ER</a>          | <a href="#">Opana ER</a>     | <a href="#">Opioids</a>                     | No          | N      | \$482.82 |
| <a href="#">Pantoprazole</a>            | <a href="#">Protonix®</a>    | <a href="#">PPI (Proton Pump Inhibitor)</a> | Yes         | N      | \$7.34   |
| <a href="#">Paroxetine (mental)</a>     | <a href="#">Paxil</a>        | <a href="#">Antidepressants</a>             | Yes         | Y      | \$18.15  |
| <a href="#">Paroxetine (pain)</a>       | <a href="#">Paxil</a>        | <a href="#">Antidepressants</a>             | Yes         | N      | \$18.15  |
| <a href="#">Penicillin</a>              | <a href="#">Veetids</a>      | <a href="#">Anti-infectives</a>             | Yes         | Y      | \$7.32   |
| <a href="#">Pentazocine lactate</a>     | <a href="#">Talwin</a>       | <a href="#">Opioids</a>                     | Yes         | N      | \$62.83  |
| <a href="#">Pentazocine/Naloxone</a>    | <a href="#">Talwin NX</a>    | <a href="#">Opioids</a>                     | Yes         | N      | \$62.83  |
| <a href="#">Phenytoin</a>               | <a href="#">Dilantin®</a>    | <a href="#">Anti-epilepsy drugs (AEDs)</a>  | Yes         | N      | \$35.67  |
| <a href="#">Pioglitazone</a>            | <a href="#">Actos</a>        | <a href="#">Antidiabetics</a>               | Yes         | N      | \$89.26  |
| <a href="#">Pirbuterol</a>              | <a href="#">Maxair®</a>      | <a href="#">Asthma medications</a>          | No          | Y      | \$43.57  |
| <a href="#">Piroxicam</a>               | <a href="#">Feldene®</a>     | <a href="#">NSAIDs</a>                      | Yes         | N      | \$60.63  |



# Summary: ACOEM

## ACOEM's Online Formulary Tool:

- **Search:** By Condition or By Drug - GENERIC (Brand(s))
- **Recommendation** is dependent upon specific condition, phase (acute vs. chronic), and, sometimes, severity of the pain; Recommendation includes associated level of evidence
- **Guidelines:** The formulary is an extension of the guidelines, however the guidelines are, at least partially, built into the formulary since recommendations are specific to the diagnosis
- **States** that use ACOEM formulary: Nevada (not required); California recently developed the MTUS formulary list based on ACOEM online formulary

## CA MTUS PDL:

- **Organized:** by Drug Ingredient (Generic)
- **Recommendation:** Each drug given a flat “preferred” or “non-preferred” status recommendation; drugs not included on the formulary may either be required to go through the same PA process as a “non-preferred” or simply not be covered (jurisdiction decision)
- **Guidelines:** A “Reference in Guideline” column indicates where the drug is either recommended, not recommended, or no sufficient evidence is available;
- **Includes:** 33 drug classes, 242 unique drugs by drug ingredient (Generic)
- **We would need to create our OWN PDL:** “If Montana chooses to adopt the ACOEM treatment guidelines and drug formulary, a PDL (similar to CA) could be created for public, non-commercial, use.”



# Summary: ACOEM (cont'd)

## ACOEM's Online Formulary Tool

**Category:**

**Condition:**

☒ I have read and accepted the [Terms of Use](#)

Filter or sort by column headers

| Phase                                  | Drug Class                     | Generic (Brand)                           | Evidence Support             |
|--|--------------------------------|---|------------------------------|
| <input type="button" value="+"/> Acute | All                            | Filter by name...                         | All                          |
| <input type="button" value="+"/> Acute | ANALGESICS - ANTI-INFLAMMATORY | CELECOXIB (Celebrex)                      | ✔ Yes, Moderate Evidence (B) |
| <input type="button" value="+"/> Acute | ANALGESICS - ANTI-INFLAMMATORY | DICLOFENAC POTASSIUM (Cataflam, Voltaren) | ✔ Yes, Moderate Evidence (B) |
| <input type="button" value="+"/> Acute | ANALGESICS - ANTI-INFLAMMATORY | ESOMEPRAZOLE/NAPROXEN (Vimovo®)           | ✘ No, Other                  |
| <input type="button" value="+"/> Acute | ANALGESICS - ANTI-INFLAMMATORY | ETODOLAC (Lodine)                         | ✔ Yes, Moderate Evidence (B) |
| <input type="button" value="+"/> Acute | ANALGESICS - ANTI-INFLAMMATORY | FAMOTIDINE/IBUPROFEN (Duexis)             | ✘ No, Other                  |
| <input type="button" value="+"/> Acute | ANALGESICS - ANTI-INFLAMMATORY | FENOPROFEN CALCIUM (Nalfon)               | ✔ Yes, Moderate Evidence (B) |
| <input type="button" value="+"/> Acute | ANALGESICS - ANTI-INFLAMMATORY | FLURBIPROFEN (Ansaid)                     | ✔ Yes, Moderate Evidence (B) |
| <input type="button" value="+"/> Acute | ANALGESICS - ANTI-INFLAMMATORY | IBUPROFEN (Motrin)                        | ✔ Yes, Moderate Evidence (B) |
| <input type="button" value="+"/> Acute | ANALGESICS - ANTI-INFLAMMATORY | INDOMETHACIN (Indocin)                    | ✔ Yes, Moderate Evidence (B) |
| <input type="button" value="+"/> Acute | ANALGESICS - ANTI-INFLAMMATORY | KETOPROFEN (Oruvail)                      | ✔ Yes, Moderate Evidence (B) |
| <input type="button" value="+"/> Acute | ANALGESICS - ANTI-INFLAMMATORY | KETOROLAC TROMETHAMINE                    | ✘ No, Other                  |



# Summary: ACOEM (cont'd)

## DWC's PDL

|    | Drug Ingredient                            | Preferred / Non-Preferred* | Special Fill** | Peri-Op*** | Drug Class  | Reference in Guidelines   |
|----|--|----------------------------|----------------|------------|---|---|
| 12 | Aspirin                                    | Preferred                  |                |            | Analgesics - NonNarcotic                          | <ul style="list-style-type: none"> <li>✓ Ankle and Foot Disorders</li> <li>✓ Cervical and Thoracic Spine Disorders</li> <li>✗ Chronic Pain</li> <li>✓ Elbow Disorders</li> <li>✓✗⊙ Hand, Wrist, and Forearm Disorders</li> <li>✓ Hip and Groin Disorders</li> <li>✓ Knee Disorders</li> <li>✓ Low Back Disorders</li> <li>✓ Shoulder</li> </ul> |
| 13 | Aspirin/Caffeine/Dihydrocodeine Bitartrate | Non-Preferred              |                |            | Analgesics - Opioid                               | <ul style="list-style-type: none"> <li>✗ Ankle and Foot Disorders</li> <li>✗ Cervical and Thoracic Spine Disorders</li> <li>✗ Chronic Pain</li> <li>✗ Elbow Disorders</li> <li>✗ Hand, Wrist, and Forearm Disorders</li> <li>✗ Hip and Groin Disorders</li> <li>✗ Knee Disorders</li> <li>✗ Low Back Disorders</li> <li>✗ Shoulder</li> </ul>   |
| 14 | Azithromycin                               | Non-Preferred              |                |            | Antibiotics (Macrolides)                          | ✗ Hand, Wrist, and Forearm Disorders  |
| 15 | Bacitracin                                 | Non-Preferred              |                |            | Anti-Infective Agents - Misc.                     | ⊙ Hand, Wrist, and Forearm Disorders  |
| 16 | Bacitracin Ophthalmic                      | Preferred                  |                |            | Ophthalmic Agents (Antibiotics)                   | ✓ Eye   |
| 17 | Bacitracin-Polymyxan B Ophthalmic          | Preferred                  |                |            | Ophthalmic Agents (Antibiotics)                   | ✓ Eye   |
| 18 | Baclofen                                   | Non-Preferred              | 4 Days         | 4 Days     | Musculoskeletal Therapy Agents (Muscle Relaxants) | <ul style="list-style-type: none"> <li>✓✗ Cervical and Thoracic Spine Disorders</li> <li>✓✗⊙ Chronic Pain</li> <li>✓✗ Hip and Groin Disorders</li> <li>✗⊙ Knee Disorders</li> <li>✓✗ Low Back Disorders</li> <li>✓✗ Shoulder</li> </ul>   |
| 19 | Balanced Salt Solution                     | Preferred                  |                |            | Ophthalmic Agents                                 | ✓ Eye   |
| 20 | Bedomethasone Dipropionate                 | Non-Preferred              |                |            | Antiasthmatic and Bronchodilator Agents           | ✓ Work Related Asthma   |
| 21 | Betamethasone                              | Non-Preferred              |                |            | Corticosteroids                                   | <ul style="list-style-type: none"> <li>✓✗⊙ Ankle and Foot Disorders</li> <li>✓✗ Cervical and Thoracic Spine Disorders</li> <li>✓⊙ Elbow Disorders</li> <li>✓✗⊙ Hand, Wrist, and Forearm Disorders</li> <li>✓✗ Hip and Groin Disorders</li> <li>✓⊙ Knee Disorders</li> <li>✓✗⊙ Low Back Disorders</li> <li>✓✗⊙ Shoulder</li> </ul>               |



# Summary: Washington

- **Organized:** By Therapeutic Drug Class
- **Recommendation:** TCC is given a status of A (Allowed), PA (Prior Authorization Required), or D (Denied)
  - Preferred Drug(s) column: may specify a particular drug(s), “All”, or “None”
    - When a particular drug is included, typically stipulates "generics only"
- **Guidelines:** Washington’s Guidelines and the Formulary are created separately.
- **Includes:** 825 total therapeutic drug classes
  - 168 with “A” status, 384 with “PA” status, and 273 with “D” status

# Summary: Washington (cont'd)

| Status | TCC | Therapeutic Class Description  | Preferred Drug(s)  |
|--------|-----|--|--|
| PA     | H2X | Tricyclic Antidepressant/Benzodiazepine Combination                              | None   |
| A      | H3A | Analgesics, Narcotics<br>***Acute use only***                                    |  |
|        |     | Short Acting Opioids   | Codeine sulfate/phosphate (generics only)<br>Hydromorphone (generics only)<br>Meperidine (generics only)<br>Morphine sulfate (generics only)<br>Oxycodone (generics only)<br>Pentazocine/Naloxone (generics only)<br>Pentazocine/Acetaminophen (generics only)<br>Tramadol (generics only) |
| PA     | H3A | Long Acting Opioids  | None   |
| PA     | H3C | Analgesics, Non-Narcotics  | None   |
| A      | H3D | Salicylate Analgesics  | Choline mag trisalicylate (generics only)<br>Diflunisal (generics only)<br>Salsalate (generics only)   |
| A      | H3E | Analgesic/Antipyretics, Non-Salicylate   | Acetaminophen (generics only)  |
| PA     | H3F | Antimigraine Preparations  | None   |
| D      | H3H | Analgesics Narcotic, Anesthetic Adjunct  | None   |
| D      | H3I | Analgesics, Neuronal-type Calcium Channel Blocker                                | None   |
| D      | H3J | Analgesics Narcotic/Dietary Supplement Combinations                              | None   |
| A      | H3K | Analgesics, Non-salicylate & Barbiturate Combination                             | Acetaminophen/Butalbital (generics only)   |
| A      | H3L | Analgesics, Non-salicylate, Barbiturate & Xanthine Combination                   | Acetaminophen/Caffeine/Butalbital (generics only)  |
| PA     | H3M | Narcotic Analgesic, Non-salicylate Analgesic, Barbiturate & Xanthine Combination | None   |



# Comparisons



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# Comparisons: “Evidence-Based” and Transparency

- **Details:**
  - ODG – Evidence-based process that ranks existing literature and utilizes an editorial committee to make each recommendation; external stakeholders review before updates; Adheres to AGREE II and AMSTAR criteria; removal from NGC an issue?
  - ACOEM – Evidence-based process that ranks evidence based on condition and utilizes multidisciplinary panels, stakeholder input, and external reviews; Adheres to AGREE II, AMSTAR, GRADE, and IOM criteria
  - Washington – Evidence-based process utilizing OHSU (as part of DERP), P&T Committee makes recommendations, staff analyzes cost, and agency directors make final decisions; L&I wrap-around formulary decision process not transparent (PBM process unclear)
- **Winner:**
  - All 3 have evidence-based processes; previous findings suggests ACOEM is relatively more transparent
- **Ranking:**
  1. ACOEM
  2. ODG/Washington

# Comparisons: Accessibility and Simplicity

- **Details:**

- ODG – Free to adopt list; access to guidelines is costly, but not necessary; providers could get by with just the list; many adjustors/providers may already have ODG subscriptions
- ACOEM – User-friendly, easy to use interface; however, as is, the online tool is not accessible without purchasing a subscription; heavy cost to stakeholders?
- Washington – Free to adopt and heavily favors generics; not as easy to read or as straightforward; lower overall cost to stakeholders

- **Winner:**

- ODG in terms of readability; Washington in terms of dollars

- **Ranking:**

1. ODG/Washington
2. ACOEM

# Comparisons: Restrictiveness of Formulary

- Details:
  - ODG – Approximately 43% (143/331\*) of recommendations by **generic name** have a **“Y” status**
    - Top 10 most frequently prescribed drugs in MT (NCCI, 2016):  
8/10 “Y” Drugs, 1/10 “N” Drugs, 1/10 Not Listed
  - ACOEM (**MTUS PDL only**) – Approximately 31% (76/242) of recommendations by **drug ingredient** have a **Preferred status**
    - Top 10 most frequently prescribed drugs in MT (NCCI, 2016):  
2/10 “Preferred”, 7/10 “Non-Preferred”, 1/10 Not Listed
    - The restrictiveness of the ACOEM online tool varies by condition.
  - Washington – Approximately 30% (168/552\*\*) of recommendations by **Therapeutic Class** have a status of **Allowed**
    - Top 10 most frequently prescribed drugs in MT (NCCI, 2016):  
7/10 “Preferred Drug”, 3/10 Not Found\*\*\*
- **Winner:** ODG less restrictive than MTUS list; Washington and ACOEM tool excluded

\*When sorted by generics: 143/331; When sorted by brand: 138/324; When sorted by drug class: 144/330

\*\*When Therapeutic class's with “D” status are included, only 20% (168/825) of recommendations by TC have a status of “A”

\*\*\*May be listed under a class as “All” or “None”, but were not listed as a Preferred Drug within any TC



# Comparisons: Ease to Implement and Maintain

- Details:

- ODG – Easy to post on the DLI website, updated monthly (or as needed), maintained by WLDI, no maintenance required
- ACOEM – Relatively higher cost
  - Adopt online tool as is: ACOEM online tool is only available online, updated quarterly (or as needed) maintained by Reed Group, no maintenance required for the online tool or the guidelines; Licensing required by stakeholders using for commercial purposes
  - Create a publicly available list: A public list, similar to the CA MTUS PDL list, could be developed but would require MT to have its own P&T Committee to review ACOEM updates and maintain list; Licensing required by stakeholders using for commercial purposes; Higher administrative costs
- Washington – Currently online and publically available, updated quarterly (or as needed) and maintained by WA L&I; *however*, potentially higher administrative cost to format the formulary for Montana

- Winner: ODG

- Ranking

1. ODG
2. Washington
3. ACOEM

# Comparisons: Compatibility with the MT U&T Guidelines

- **Details:**
  - ODG – ?
  - ACOEM – Preliminary findings in NY suggest that the ACOEM guidelines closely match the Colorado guidelines (from which Montana's guidelines are based) with few anomalies.
  - Washington – ?
- **What we know now:**
  - As long as the formulary and the guidelines are developed separately, there will always be a risk of a discrepancy between the two.
  - A policy could be implemented that asserts that if a discrepancy is found, the U&T guidelines take precedence
  - Montana's guidelines are based primarily on the Colorado guidelines, and Colorado's guidelines are closely related to ACOEM

# Comparisons: Other

“Implementing a Drug Formulary for California’s Workers’ Compensation Program”, RAND Co., 2016

Summary of Formulary Comparison on Evaluation Criteria

| Criteria  | ODG   | ACOEM  | Washington  |
|---|---|--|---|
| Reliance on evidence-based criteria                 | Incorporates peer-reviewed literature, evaluated with ranking system and editorial committee for decisionmaking.  | Incorporates evidence through a committee, ranking the evidence for each drug used for each medical condition.   | Uses an evidence-based practice center to develop the evidence base the P&T committee uses to make final recommendations for drugs. L&I wraparound formulary drugs are approved through a PBM.                        |
| Compatibility with the MTUS guidelines              | California has adopted modified ODG chronic pain and postsurgical physical medicine treatments.   | California adopted the 2004 version of the ACOEM clinical guidelines but has not updated them to include revisions and additional topics.  | Formulary is designed to be compatible with Washington treatment guidelines.  |
| Transparency of formulary decisions                 | The process for developing drug recommendations is defined, but the criteria used to determine whether a recommended drug is a first-line therapy are not clear. Stakeholder comment on guideline revisions is a formal part of the update process. | The process for developing drug recommendations is clearly defined. Stakeholder comment on guideline revisions is a formal part of the update process. The PBM’s role in maintaining the formulary is not clear. | In the Washington State formulary decision-making process, the state issues public notices on particular drugs, and public comment is allowed at several steps. There is no public input for L&I formulary decisions. |
| Clearly defined updating process                    | Guidelines are updated on an ongoing basis, at least every six months. Formulary updates occur as frequently as monthly based on guideline revisions. Formulary updates are clearly marked for subscribers.   | Guideline revisions occur every 3–5 years. The formulary drug list will be updated quarterly based on guideline revisions. The formulary changes are clearly marked for subscribers.                             | Washington State formulary updates occur yearly and follow a clearly defined process. The update process for the L&I formulary is not clearly defined, and updates occur as needed.                                   |
| Accessibility and ease of use                       | The drug list is publicly available through the websites of subscribing states, but guidelines require subscription. Drugs requiring PR are clearly marked.   | The formulary is proprietary and currently not-searchable-by-drug.   | The formulary is publicly available and has a drug lookup tool. Restrictions are clearly marked.  |
| Focus on drugs needed for injured worker conditions | Formulary development is driven by treatment guidelines for injured workers.  | Formulary development is driven by treatment guidelines for injured workers.   | Formulary development is driven by injured worker conditions.   |

\*Comparisons were *prior* to the development of the MTUS list



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# Pros & Cons

|            | PROS   | CONS   |
|------------|--|--|
| ODG        | <ul style="list-style-type: none"> <li>• Easy to implement, easy to read, easy to understand</li> <li>• Stakeholders do not necessarily need access to the guidelines (and many might already have?)</li> <li>• Relatively less restrictive</li> <li>• Will assist with rulemaking</li> <li>• Stakeholder input allowed</li> <li>• Well established</li> </ul> | <ul style="list-style-type: none"> <li>• High cost to those providers and carriers that want to have the guidelines/evidence and don't <i>already</i> have access</li> <li>• ODG's removal/departure from the National Guidelines Clearinghouse? <ul style="list-style-type: none"> <li>• Does this signal a lack of transparency or flexibility?</li> </ul> </li> </ul>   |
| ACOEM      | <ul style="list-style-type: none"> <li>• Organized based on diagnosis/condition</li> <li>• May be most compatible with the MT U&amp;T Guidelines</li> <li>• Will assist with rulemaking</li> <li>• Stakeholder input allowed</li> <li>• User friendly interface; easily the cleanest, most straightforward website to follow</li> </ul>                        | <ul style="list-style-type: none"> <li>• Relatively more costly option: <ul style="list-style-type: none"> <li>• If we don't create a publicly available list: would require stakeholders to purchase a yearly subscription to access online tool</li> <li>• If we do create a publicly available list: a MT P&amp;T Committee would need to be formed and stakeholders using PDL for commercial purposes required to purchase subscription</li> </ul> </li> <li>• Not used by many other states (still fairly new product)</li> </ul> |
| Washington | <ul style="list-style-type: none"> <li>• Lowest cost to stakeholders</li> <li>• Potentially high cost savings on prescriptions – formulary heavily focused on generics</li> </ul>  | <ul style="list-style-type: none"> <li>• Potentially higher administrative costs – List will need to be formatted annually for MT</li> <li>• No assistance with rulemaking available</li> <li>• No ability for stakeholder input</li> <li>• Relatively more complicated to read/understand</li> </ul>  |



# **“Jurisdiction Dependent” Decisions**



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# First Fill & Legacy Claims

All 3 formularies have the ability to work effectively with a First Fill program and with legacy claims.

- **First Fill: Will protect injured workers that need to start medications right away.**
  - Washington: 7 days after injury, for 7 days; NOT subject to PA; L&I covers the cost regardless of whether claim is accepted
  - Tennessee and Texas (ODG): 7 days after injury, for 7 days; NOT subject to PA; PBM covers the cost, and if claim is not accepted, PBM and insurer negotiate
  - North Dakota (proprietary): 30 days after injury; still subject to PA; if claim is not accepted, IW owes the cost of the medication
- **Legacy Claims: Will protect injured workers that have been on prescription opioids for long periods**
  - Rules can be written to give weak or strong leniency to addicted individuals
  - Rules can be written to give a short or long transition period

# Other “Jurisdiction Dependent” Decisions

- Decisions not dependent on which formulary is chosen:
  - Implementation timeline and education process
    - Presentations across the state (TN – 6 months; TX – 2 years)
    - Tennessee reported large problems early in implementation of no one knowing who to contact for what.
  - Step Therapy
    - Pharmacist can substitute a generic brand or a preferred drug over a brand name drug or a drug that is not considered first-line treatment
  - Dispute resolution after First Fill
- All 3 formularies will involve costs to the system

# What now?



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# What are our options?

- A. Adopt ODG list only, keep MT U&T guidelines**
  - Stakeholders can purchase ODG subscription at their discretion
- B. Adopt ODG list *with* ODG guidelines, dissolve MT U&T guidelines**
  - Stakeholders required to purchase subscription or administration could purchase “blanket” license; option requires additional stakeholder input
- C. Adopt ACOEM online formulary tool *with* ACOEM guidelines, form MT P&T Committee, create a MT PDL based on ACOEM’s formulary, keep MT U&T guidelines**
  - Stakeholders using PDL for commercial purposes required to purchase subscription or administration could purchase “blanket” license
- D. Adopt ACOEM online formulary tool as is, keep MT U&T guidelines**
  - Stakeholders required to purchase subscription or administration could purchase “blanket” license
- E. Adopt ACOEM online formulary tool *with* ACOEM guidelines, dissolve MT U&T guidelines**
  - Stakeholders required to purchase subscription or administration could purchase “blanket” license; option requires additional stakeholder input
- F. Adopt Washington list, keep MT U&T guidelines**



# Resources

In addition to reviewing the ODG, ACOEM, and Washington L&I websites, as well as the presentations from Ken Eichler (ODG), Carlos Luna and Lucy Shannon (ACOEM), and Jaymie Mai (Washington), you may be interested in the following literature:

- “Implementing a Drug Formulary for California’s Workers’ Compensation Program”, RAND, 2016 ([http://www.rand.org/content/dam/rand/pubs/research\\_reports/RR1500/RR1560/RAND\\_RR1560.pdf](http://www.rand.org/content/dam/rand/pubs/research_reports/RR1500/RR1560/RAND_RR1560.pdf))
- “A Discussion on the Use of a Formulary in Workers' Compensation”, IAIABC, 2016, (<https://www.iaiaabc.org/images/iaiaabc/Resources/Discussion-Use-Formulary-Work-Comp-IAIABC-04-27-16.pdf>) \*may require membership
- “Drug Formularies in Workers’ Compensation Systems”, ACOEM, 2016 ([http://www.acoem.org/uploadedFiles/Public\\_Affairs/Policies\\_And\\_Position\\_Statements/Guidelines/Position\\_Statements/DrugFormulariesinWorkersCompensationSystems.pdf](http://www.acoem.org/uploadedFiles/Public_Affairs/Policies_And_Position_Statements/Guidelines/Position_Statements/DrugFormulariesinWorkersCompensationSystems.pdf))
- “Impact of a Texas-Like Formulary in Other States”, WCRI, 2014 (<https://www.wcrinet.org/reports/impact-of-a-texas-like-formulary-in-other-states>) \*may require membership
- “MD Guidelines and ODG: Analysis of the Evidence Behind Evidence-Based Return-To-Work and Treatment Guidelines”, BioMed Bridge LLC, 2015 (<http://www.reedgroup.com/wp-content/uploads/2015/09/BioMed-White-Paper-FINAL-08172015.pdf>) \*commissioned by Reed Group
- “Are Formularies a Viable Solution for Controlling Prescription Drug Utilization and Cost in California Workers’ Compensation?”, California Workers’ Compensation Institute, 2014 (<https://www.cwci.org/document.php?file=2504.pdf>)



# Questions? / Thank You!

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